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D/DPP(PM)/2/4/6

Dr. Göran Kristoffersson
Chief Engineer
Defence Materiel Administration
Aeronautical Systems Directorate
SE-115 88
Stockholm
SWEDEN

5 October 1998

Dear Dr Kristoffersson

UK MOD(PE) MEMBERSHIP OF THE INTERNATIONAL PERFORMANCE
MANAGEMENT COUNCIL

Reference:

A. US USofD (A&T) letter dated 6 March 1996.

I am writing to you in your role as Chairman of the International Performance Management Council (IPMC) to request formally that the UK MOD be accepted as a full participating member.

As I am sure you know, MOD(PE) has maintained an interest in Earned Value Management (EVM) through Associate Membership of IPMC for the last 3 years. However, the Chief of Defence Procurement (CDP), Sir Robert Walmsley, who has recently given his 'strong support' to the implementation of EVM within UK Industry as best practice, also wishes MOD(PE) to participate as a Full Member of the IPMC. Membership would enable the UK to build on the experiences and efforts of other IPMC members in the implementation of EVM, and to progress EVM in conjunction with the UK MOD Smart Procurement Initiative. We consider EVM to be entirely consistent with the principles of Smart Procurement and likely to play an important part in our future procurement practices.

At Reference, the then US Under Secretary of Defense (Acquisition and Technology) advised that he had signed an MOU with his Canadian and Australian opposite numbers providing a framework for a co-operative approach to the implementation of earned value based performance management principles. However, as the MOD(PE) implementation of EVM is intended to be less formal and prescriptive than that described in the trilateral MOU,

we propose that MOD's basis for co-operation be similar to that of your own government and that of New Zealand.

Subject to your agreement and that of the other IPMC Nations, I suggest, therefore, that the scope of our participation be as follows:

- a. the exchange of information regarding cost and schedule management policies and procedures;
- b. advocacy of improved project management in both UK MOD and industry based on effective risk assessment and integrated management of cost, schedule and technical performance objectives using earned value as the integrating tool;
- c. outreach to industry, academia, and professional associations in furtherance of these activities.

In anticipation of this proposal being acceptable, I wish to nominate Mr Martin Blackmore, of my staff, as the MOD(PE) representative on the IPMC. Moreover, I understand that at the last meeting of the IPMC in Sweden on 9 June 1998, it was generously proposed that the UK should, on joining, assume the Chair of the IPMC. It is appreciated that this would place the UK at the centre of EVM activity during the critical period of implementation. If this is still the wish of the member nations, I would be very pleased for Mr Blackmore to take on the role of Chairman of the IPMC.

I am copying this letter to representatives of the IPMC in the other member nations and to Dr Daniel Czelusniak, US Director of Acquisition Program Integration, with whom I discussed our fuller commitment to EVM in a recent visit to Washington.

Copy to:

Dr Daniel Czelusniak, US Director of Acquisition Program Integration
Mr Wayne Abba - US OUSD(A&T)
Mr John Mack - Public Works and Government Services, Canada
Mr Subhash Dang - Defence Acquisition Organisation, Australian Department of Defence.
Mr Kevin McMahon - Acquisition Division, New Zealand Ministry of Defence
Minister(DM) Washington

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